

## State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining JOHN R. BAZA

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Division Director

March 14, 2011

Rick Havenstrite Desert Hawk Gold Corporation 1290 Holcomb Ave. Reno, Nevada 89502

Subject: Completeness Review of Third Submittal, Desert Hawk Gold Corporation, Kiewit

Project Mine, M/045/0078, Tooele County, Utah

Dear Mr. Havenstrite:

The Division of Oil, Gas and Mining (DOGM) has done a "completeness review" of your submittal which was received February 22, 2011. On November 24, 2010 the second review comments were sent to Desert Hawk Gold Corporation with a list of four items that would be required for the third submittal. The letter said additional items might be needed for the completeness review. The following items have not been received. Referenced comment numbers are from the November 24, 2010, review.

- 1. Results of a Cultural Resources Survey with recommendations.
- 2. Appendix IV: Yellow Hammer Small Mine permit. The data which was included under Appendix IV is the Herat Mine permit (which is an inactive mine permit with no bond and delinquent permit fees). Also included is incomplete data from the Yellow Hammer Small Mine permit.
- 3. Comment 9: The ground water permit has not been signed by the Division of Water Quality (DWQ), and a copy of the figures modified for DWQ that will be part of the DOGM permit will also need to be included in the DOGM permit.
- 4. Comment 30: Please submit the requested data for Appendix V.
- 5. Comment 31: Nothing has been added in the bond calculation sheets, for pumps, fuel, generators, and backup systems or for the capping of the pad.
- 6. Comment 53: Neutralize cyanide/rinse. Desert Hawk has readdressed rinsing of the pad in the NOI, but costs associated with neutralizing are not apparent on the spreadsheet.



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7. Comment 54: The Desert Hawk submittal received February 23, 2011 notes "200 days was proposed by the Division." Actually the Division requested that Desert Hawk "substantiate the estimate of 200 days;" the Division did not propose or recommend 200 days of rinsing. The Division does not see any cost associated with the capping of the leach pad. More detail is needed on the closure of the leach pad.

Several other comments were included in the November 24, 2010, and the responses to these items will not be reviewed until the above listed items have been submitted.

As discussed on February 10, 2011, the Kiewit ore body will not be mined until approval is has been received by the BLM. Please provide a written legal description of the boundary of what is not to be mined. It should be noted that other BLM surface rights are affected by the mine infrastructure roads and the proposed settlement pond. Please address impacts to the BLM right of way with the proper documentation from the BLM.

The Division is still waiting for the bond and reclamation contract from Desert Hawk to complete transfer of the Kiewit Exploration Project, E/045/0140.

The Division requests a meeting with you to discuss the completeness items listed above. Please contact me (801-538-5261, e mail <u>paulbaker@utah.gov</u>) with some available dates in the coming month. We would like to invite Department Director Mike Styler to attend.

Sincerely

Paul B. Baker

Minerals Program Manager

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PBB:lah:eb

cc: Keith Moeller keith@cliftonmining.com BLM - Stephen\_Allen@blm.gov

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